

OFFICE OF THE CHIEF OF POLICE

SPECIAL ORDER NO. 20

Effective March 29, 2009

APPROVED BY THE BOARD OF POLICE COMMISSIONERS ON DECEMBER 20, 2007

**SUBJECT: CONFIDENTIAL FINANCIAL DISCLOSURE POLICY AND
PROCEDURES FOR GANG ENFORCEMENT DETAIL AND
NARCOTICS FIELD ENFORCEMENT SECTION UNITS -
ESTABLISHED**

PURPOSE: The Federal Consent Decree (between the United States Department of Justice and the City of Los Angeles) mandates that the Department establish a financial disclosure policy. The disclosure requirement was instituted to serve as a tool to assist in the prevention of police corruption. This policy is applicable to sworn employees of the rank of lieutenant or below assigned to the Gang Impact Team (GIT), Gang Enforcement Detail (GED), Community Law Enforcement and Recovery (CLEAR) Unit, Narcotics Division (ND), and Narcotics Enforcement Detail (NED). Employees assigned to, or loaned to such details, shall complete a Confidential Financial Disclosure Face Sheet, Form 01.74.00, and a Confidential Financial Disclosure Report, Form 01.74.01. This Order creates the Confidential Financial Disclosure Forms, establishes the procedures for completing the forms, and outlines the procedures for reviewing and auditing such forms.

PROCEDURE: As part of the selection process and retention of an existing position within any assignment or loan to GIT, GED, CLEAR, ND, or NED positions, sworn employees at the rank of lieutenant or below shall submit a completed Confidential Financial Disclosure Face Sheet, Form 01.74.00, and a Confidential Financial Disclosure Report, Form 01.74.01, to Consent Decree Bureau (CDB).

I. FORMS.

A. CONFIDENTIAL FINANCIAL DISCLOSURE FACE SHEET, FORM 01.74.00 AND CONFIDENTIAL FINANCIAL DISCLOSURE REPORT, FORM 01.74.01 - ACTIVATED. The Confidential Financial Disclosure Face Sheet and the Confidential Financial Disclosure Report are activated.

B. USE OF FORMS. These forms are used to document assets, liabilities, and employment of employees assigned to GIT, GED, CLEAR, ND, or NED positions.

II. FINANCIAL DISCLOSURE POLICY AND PROCEDURE.

- A. EMPLOYEES SUBJECT TO FINANCIAL DISCLOSURE.** The following employees shall complete a Confidential Financial Disclosure Face Sheet and a Confidential Financial Disclosure Report in compliance with this policy:

Note: Failure to complete a Confidential Financial Disclosure Face Sheet and a Confidential Financial Disclosure Report will prevent an employee from being loaned or transferred to a GIT, GED, CLEAR, ND, or NED assignment. Additionally, employees within any of these designated assignments who either fail or refuse to fill out the forms as specified in this Order will not be allowed to continue in the assignment. An employee's refusal to fill out the required forms could impact their ability to work these assignments in the future.

Employees selected after the effective date of this Special Order:

- * Within ten calendar days of being selected and prior to assignment to GIT, GED, CLEAR, ND, or NED positions, all sworn employees of the rank of lieutenant or below shall complete a Confidential Financial Disclosure Face Sheet and a Confidential Financial Disclosure Report;
- * Additionally, GED officers requesting an extension beyond their initial 39 deployment periods will be required to complete the forms; and,

Note: Gang Enforcement Detail officers requesting an extension for a fifth year do not need to complete the forms.

- * Officers will be required to fill out a new form every two years if they wish to remain assigned to ND, Gang Detectives, CLEAR Detectives, NED, or as a GIT lieutenant.

Employees assigned to GIT, GED, CLEAR, ND, or NED as of the effective date of this Special Order:

- * All incumbents in assignments subject to financial disclosure shall be exempt for two years from the date of the approval of this Order;
- * Incumbent personnel of the rank of lieutenant and below assigned to GIT, GED, CLEAR, ND, or NED positions, will be required to complete the Confidential Financial Disclosure Face Sheet and a Confidential Financial Disclosure Report, within ten calendar days after their two-year exemption period has expired from the date of the approval of this Order, if they wish to remain in their current assignment;
- * After the initial two-year exemption, incumbent officers will be required to fill out a new form every two years if they wish to remain assigned to ND, Gang Detectives, CLEAR Detectives, NED, or as a GIT lieutenant; and,
- * Irrespective of their extension date in the unit, incumbent officers assigned to GED will be required to complete a new form two years after completing the initial form if they wish to remain assigned to GED.

B. INFORMATION TO BE DISCLOSED. Employees subject to the Financial Disclosure process are required to disclose all information regarding sole and jointly owned assets, liabilities, income, and income sources as detailed in the Confidential Financial Disclosure Report.

C. EMPLOYEE RESPONSIBILITIES. Employees required to report will receive the Confidential Financial Disclosure Face Sheet and a Confidential Financial Disclosure Report from the GIT, GED, CLEAR, ND or NED officer in charge or commanding officer prior to transferring or being loaned to the specialized unit, section, or division. The employee shall:

- * Call CDB and set an appointment for review of the forms;
- * Complete and return the forms to CDB within ten calendar days of being selected and prior to

assignment to a Financial Disclosure required unit;

- * Attend the CDB appointment and provide supporting documentation regarding assets, liabilities, and outside employment (supporting documents are to be presented during the review);
- * Provide a self-generated credit report (**Only if there is a determination that the Confidential Financial Disclosure form contained unexplained wealth**) from a Department approved credit agency. If a cost is incurred by the employee to obtain a credit report the Department shall pay that cost;
- * Cooperate with any official Department audit. If selected for such an audit, the employee shall provide a self-generated credit report. The Department shall pay the cost of the credit report if any is incurred; and,
- * Retain all supporting documentation presented for review with the Financial Disclosure forms for two years or until they leave the assignment.

Note: Consent Decree Bureau shall not keep or make copies of any supporting documents including the self-generated credit report.

D. CONSENT DECREE BUREAU RESPONSIBILITIES. Consent Decree Bureau shall:

- * Review each Confidential Financial Disclosure Face Sheet and the Confidential Financial Disclosure Report to ensure completeness;
- * Review all supporting documentation submitted in accordance with Financial Disclosure Review/Audit Protocols;
- * Initial the corresponding box to verify that the documentation was provided and reviewed;
- * Sign and date the Confidential Financial Disclosure Face Sheet and the Confidential Financial Disclosure Report in the presence of the employee; and,
- * Provide the employee an opportunity to respond in writing to any areas of concern.

A Consent Decree Bureau employee who possesses the skills to audit financial records shall complete the aforementioned CDB responsibilities. The Captain of

Civil Rights Integrity Division shall then review and approve the completed work.

Consent Decree Bureau will report all findings to the Chief of Police who will make a "final determination" to approve or deny the application. Consent Decree Bureau will be responsible for the audit of the Confidential Financial Disclosure Face Sheet and the Confidential Financial Disclosure Report.

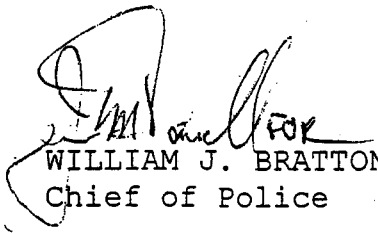
III. FINANCIAL DISCLOSURE FORMS.

- A. STORAGE.** All completed forms will be stored in a secured and locked location at the Office of the Chief of Police (OCOP).
- B. CONFIDENTIALITY.** All forms are considered confidential and shall remain on file at the OCOP during the course of the employee's assignment to GIT, GED, CLEAR, ND, or NED. The forms shall remain secured at the OCOP until their date for destruction.
- C. AUDIT OF FORMS.** An annual audit of forms will be conducted in accordance with standard audit guidelines.
- D. DESTRUCTION OF FORMS.** The Office of the Chief of Police is responsible for the destruction of forms. Upon the employee separating from the specialized assignment, the employee's forms will be destroyed two years from the date of separation. The employee is responsible for notifying CDB upon separation of assignment.

AMENDMENTS: This Order adds Department Manual Sections 3/381, 5/01.74.00, and 5/01.74.01.

AUDIT RESPONSIBILITY: The Commanding Officer, CDB, shall monitor compliance with this Order. Consent Decree Bureau shall direct an annual audit of randomly selected forms to be conducted in accordance with standard audit guidelines. The audit is to include a review of the Confidential Financial Disclosure Face Sheet and the Confidential Financial Disclosure Report, any applicable supporting documents provided by the employee,

and checks of publicly available databases. Employees randomly selected for the annual audit will be required to provide a self-generated credit report from a Department approved credit agency for review.



WILLIAM J. BRATTON
Chief of Police

Attachments

DISTRIBUTION "A"

Financial Disclosure Review/Audit Protocols

Initial Entry/Selection	Annual Audit
1. Meet with employee and review the completed forms.	1. Select a statistically valid random sample for the audit. Notify selected employees immediately and set an appointment.
2. Review documents for income to asset ratio, and debt to income ratio. <ul style="list-style-type: none"> • Evaluate unexplained wealth. • Evaluate debt to income ratio, past due accounts and bankruptcies. • Discuss with employee who may be able to provide additional information to resolve the concern. • If necessary, provide a self-generated credit report from a list of Department approved agencies.¹ • In the event that additional supporting documentation would assist in the evaluation, request such documents from employee (deeds, registrations, etc.). List all supporting documents on the Financial Disclosure Form.² 	3. Review documents for income to asset ratio, and debt to income ratio. <ul style="list-style-type: none"> • Evaluate unexplained wealth. • Evaluate debt to income ratio, past due accounts and bankruptcies. • Discuss with employee who may be able to provide additional information to resolve the concern. • In the event that additional supporting documentation would assist in the evaluation, request such documents from employee (deeds, registrations, etc.). List all supporting documents on the Financial Disclosure Form.³
4. When no issues are raised, forward to Commanding Officer, Civil Rights Integrity Division for final review.	3. Request that the employee bring to the meeting a self-generated credit report selected from a list of Department approved agencies. ⁴ Also request that the employee bring any necessary supporting documents necessary based on the completed financial disclosure form.
5. If areas cannot be adequately explained regarding debt to income ratio, income to asset ratio, past due accounts or bankruptcies make an appointment with the Commanding Officer, Civil Rights Integrity Division to allow the involved officer the opportunity to personally discuss the matter.	4. Complete the review for all randomly selected employees. Document results in a standard audit format. Meet with Audit Division for direction on format. <ul style="list-style-type: none"> • Identify all anomalies identified in the reviews. • Document all explanations and/or justifications to such anomalies. • Document unexplained anomalies. • Make recommendations as appropriate.
6. The Commanding Officer, Civil Rights Integrity Division will make the final determination as to whether an employee is de-selected from the process.	5. Forward the Audit to the Commanding Officer, Civil Rights Integrity Division for approval.
	6. The Commanding Officer, Civil Rights Integrity Division will make the final determination as to whether an employee is de-selected from the process.

¹ Consent Decree Bureau shall keep a list a such agencies on file and provide employees with directions on how to obtain a credit report that will not impact their credit rating.

² Bad debt flags causing further evaluation include: Bankruptcies within the past 3 years, past due accounts over 90 days.

³ Bad debt flags causing further evaluation include: Bankruptcies within the past 3 years, past due accounts over 90 days.

⁴ Consent Decree Bureau shall keep a list of such agencies on file and provide employees with directions on how to obtain a credit report that will not impact their credit rating.

Los Angeles Police Department

CONFIDENTIAL FINANCIAL DISCLOSURE

FACE SHEET

☐ Gang Impact Team ☐ Community Law Enforcement and Recovery
☐ Gang Enforcement Detail ☐ Narcotics Enforcement Detail ☐ Narcotics Division

Type or print in black or blue ink

Full Name (Last) (First) (Middle) **Serial No.**
List all names used (i.e., maiden name, name before legal name)

Division / Section / Unit : _____

Position: _____

☐ New Applicant (Incl. Loans) ☐ Currently Assigned Bi-Annual Report

Applicant's Certification:

I hereby certify that the statements on this Financial Disclosure Form are true full disclosures of the items required by each section. I understand that if I intentionally misrepresent substantial, material information, I will be subject to disciplinary action, up to and including removal from office.

Signature of Applicant

Date Signed

Consent Decree Bureau Use Only:

Date received by Consent Decree Bureau: _____

Signature of Person Reviewing

Print Name and Serial No. Date Signed

Signature of Commanding Officer, CRID

Print Name and Serial No. Date Signed

Total number of pages submitted (including this sheet): _____

Financial Disclosure Instructions

Applicant:

1. Complete the Financial Disclosure Form only if you are a Police Officer, Detective, Sergeant, or Lieutenant assigned or loaned to Narcotics Division (ND), a Gang Enforcement Detail (GED), a Gang Impact Team (GIT), a Narcotics Enforcement Detail (NED) or a Community Law Enforcement and Recovery Unit (CLEAR).
2. Complete all sections legibly in blue or black ink, or type. Print, except where you are required to sign.
3. The "Codes" box refers to who holds the asset or liability. Write "O" if the item is in your name only. Write "JS" if the item is jointly held by you and your spouse. Write "JD" if the item is jointly held by you and a dependent. Write "JO" if the item is jointly held by you and someone other than a spouse or dependent.
4. Where necessary, use additional continuation pages to add additional information. Number each continuation page in order following the numbers on the forms.
5. Contact Consent Decree Bureau (CDB) and make an appointment to file your form. Hand-carry your completed form to CDB and cooperate with the review process by providing all supporting documentation (i.e. account statements, house note, credit card statements, etc.) to the personnel reviewing your form. You will be present with CDB during the review of the Financial Disclosure Form and supporting documents, and be given an opportunity to explain discrepancies. All supporting documentation will be returned to you immediately following the review.

Receiving Consent Decree Bureau Personnel:

1. Review the form to ensure applicant has completely filled out each section. Review any necessary supporting documents (i.e. account statements, house note, etc.) to ensure what the employee has listed is accurately documented in the Financial Disclosure Form. List on the "Supporting Documentation Page" of the form all documents that you reviewed as part of this process. Use the "Continuation Page, Narrative Section" if needed, to explain any areas of concern identified by the applicant or yourself during your review (bankruptcies, judgments, etc.). Complete and sign in the proper section at the bottom of the Financial Disclosure Face Sheet, Page 1.
2. Confirm the number of pages, be sure to include the Face Sheet (with all signatures) as Page 1, and ensure that any continuation sheets are marked with the proper page number.
3. Staple all pages of the form together. Treat it as confidential and store the file in a secured location in the Office of the Chief of Police. This form and any of its component parts are NOT TO BE COPIED OR RELEASED FOR ANY REASON, except to give one copy of the final signed form to the applicant. The original report shall be sent to the Commanding Officer, Civil Rights Integrity Division (CRID), for review.

Los Angeles Police Department
CONFIDENTIAL FINANCIAL DISCLOSURE REPORT

Page Number **2** of
 Continuation pages are provided if needed.

Employee's Name (<i>Last, first, middle</i>)	Serial No.	Position/Rank	Reporting Status: <input type="checkbox"/> New Applicant <input type="checkbox"/> Bi-Annual
Unit, Section or Division			Work Number
I certify that the statement I have made on this form and all attached pages are true, complete, and correct to the best of my knowledge.		Signature of Employee	Date

Part I	Assets (<i>Identify stock, bond, mutual fund, real estate, bank accounts, vehicles, boats, etc.</i>). Account numbers are not required. A general description is sufficient.	CODE	
Assets	Properties		Estimated Fair Market Value
	Example Rental Condo, Los Angeles, CA 90017	JS	
<input type="checkbox"/> None	1.		<input type="checkbox"/> \$0 - \$250,000 <input type="checkbox"/> 250,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$750,000 <input type="checkbox"/> \$750,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000
	2.		<input type="checkbox"/> \$0 - \$250,000 <input type="checkbox"/> 250,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$750,000 <input type="checkbox"/> \$750,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000
	3.		<input type="checkbox"/> \$0 - \$250,000 <input type="checkbox"/> 250,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$750,000 <input type="checkbox"/> \$750,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000
<input type="checkbox"/> None	Bank Accounts		
	Example Checking Account, Bank of America	JS	
	1.		<input type="checkbox"/> \$0 - \$10,000 <input type="checkbox"/> 10,001 - \$20,000 <input type="checkbox"/> \$20,001 - \$30,000 <input type="checkbox"/> Over - \$30,000
	2.		<input type="checkbox"/> \$0 - \$10,000 <input type="checkbox"/> 10,001 - \$20,000 <input type="checkbox"/> \$20,001 - \$30,000 <input type="checkbox"/> Over - \$30,000
	3.		<input type="checkbox"/> \$0 - \$10,000 <input type="checkbox"/> 10,001 - \$20,000 <input type="checkbox"/> \$20,001 - \$30,000 <input type="checkbox"/> Over - \$30,000
<input type="checkbox"/> None	Stocks, Bonds, Mutual Funds		
	Example Mutual Fund, Fidelity Investments	JD	
	1.		<input type="checkbox"/> \$0 - \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$75,000 <input type="checkbox"/> Over - \$75,000
	2.		<input type="checkbox"/> \$0 - \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$75,000 <input type="checkbox"/> Over - \$75,000
	3.		<input type="checkbox"/> \$0 - \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$75,000 <input type="checkbox"/> Over - \$75,000

CODES

“O” if item is in your name only; “JS” if item is jointly held by a spouse; “JD” if item is jointly held by a dependent; “JO” if item is jointly held by you and someone other than a spouse or a dependent.

☐ Check Box if Continuation page is used

Los Angeles Police Department
CONFIDENTIAL FINANCIAL DISCLOSURE REPORT

Page Number **3** of
 Continuation pages are provided if needed.

Part II
Liabilities

List all a) outstanding debts or liabilities, except those paid on a monthly basis, do not include inactive accounts or those cancelled at your request, b) judgements, liens or bankruptcies for the past five years, and c) credit that has been denied, revoked or cancelled by a creditor during the past two years. Indicate if an account is past due. Past due accounts equal any accounts past due over 90 days.

Creditors, Name and Address		CODE	Type of Liability (Mortgages, vehicle loan, judgments, etc.)	Estimated Current Balance Owed
Example	Bank of America, Los Angeles, CA	JS	Mortgage on condo in Los Angeles, CA	
	LAPFCU	O	Loan for 2000 Ford F100 Pickup	
	MasterCard	JD	Credit card	
Accounts				
1.				<input type="checkbox"/> \$0 - \$10,000 <input type="checkbox"/> \$10,001 - \$20,000 <input type="checkbox"/> \$20,001 - \$50,000 <input type="checkbox"/> \$50,000 - \$250,000 <input type="checkbox"/> \$250,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$750,000 <input type="checkbox"/> \$750,001 - \$1,000,000 <input type="checkbox"/> Over - \$1,000,000
2.				<input type="checkbox"/> \$0 - \$10,000 <input type="checkbox"/> \$10,001 - \$20,000 <input type="checkbox"/> \$20,001 - \$50,000 <input type="checkbox"/> \$50,000 - \$250,000 <input type="checkbox"/> \$250,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$750,000 <input type="checkbox"/> \$750,001 - \$1,000,000 <input type="checkbox"/> Over - \$1,000,000
3.				<input type="checkbox"/> \$0 - \$10,000 <input type="checkbox"/> \$10,001 - \$20,000 <input type="checkbox"/> \$20,001 - \$50,000 <input type="checkbox"/> \$50,000 - \$250,000 <input type="checkbox"/> \$250,001 - \$500,000 <input type="checkbox"/> \$500,001 - \$750,000 <input type="checkbox"/> \$750,001 - \$1,000,000 <input type="checkbox"/> Over - \$1,000,000

☐ **None**

Part III
Outside
Income

Organization other than LAPD (Name and Address)		Type of organization	Position Held	Annual Earnings
Example	Boyd's Security Services Los Angeles, CA	Security	Investigator	<input type="checkbox"/> \$0 - \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$75,000 <input type="checkbox"/> \$75,001 - \$100,000 <input type="checkbox"/> Over - \$100,000

Income Sources				
1.				<input type="checkbox"/> \$0 - \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$75,000 <input type="checkbox"/> \$75,001 - \$100,000 <input type="checkbox"/> Over - \$100,000
2.				<input type="checkbox"/> \$0 - \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$75,000 <input type="checkbox"/> \$75,001 - \$100,000 <input type="checkbox"/> Over - \$100,000
3.				<input type="checkbox"/> \$0 - \$25,000 <input type="checkbox"/> \$25,001 - \$50,000 <input type="checkbox"/> \$50,001 - \$75,000 <input type="checkbox"/> \$75,001 - \$100,000 <input type="checkbox"/> Over - \$100,000

CODES

“O” if item is in your name only; “JS” if item is jointly held by a spouse; “JD” if item is jointly held by a dependent; “JO” if item is jointly held by you and someone other than a spouse or a dependent.
☐ Check Box if Continuation page is used

Financial Disclosure Requirements Chart

Applies to employees of the rank of lieutenant and below assigned as noted below:

Type of Employee		First time to Complete Form	Subsequent Time to Complete Form
Selected to assignment after date of Special Order	GIT Lt.	Within 10 days of initial selection & prior to starting assignment	Every 2 years
	GED	Within 10 days of initial selection & prior to starting assignment	When submitting request for first extension in the assignment after 39 DPs
	GIT Det.	Within 10 days of initial selection & prior to starting assignment	Every 2 years
	CLEAR	Within 10 days of initial selection & prior to starting assignment	Every 2 years
	ND	Within 10 days of initial selection & prior to starting assignment	Every 2 years
	NED	Within 10 days of initial selection & prior to starting assignment	Every 2 years
Incumbent as of the date of the Special Order	GIT Lt.	2 years after the date of the Special Order (within 10 days)	Every 2 years
	GED	2 years after the date of the Special Order (within 10 days)	2 years after completing the initial form irrespective of extension date
	GIT Det.	2 years after the date of the Special Order (within 10 days)	Every 2 years
	CLEAR	2 years after the date of the Special Order (within 10 days)	Every 2 years
	ND	2 years after the date of the Special Order (within 10 days)	Every 2 years
	NED	2 years after the date of the Special Order (within 10 days)	Every 2 years